

DECISION MEMORANDUM

TO: COMMISSIONER REDFORD
COMMISSIONER SMITH
COMMISSIONER KEMPTON
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: WELDON STUTZMAN
DEPUTY ATTORNEY GENERAL

DATE: FEBRUARY 26, 2009

SUBJECT: CASE NO. IPC-E-08-10
APPROVAL OF STIPULATION REGARDING PRUDENCY OF
ENERGY EFFICIENCY RIDER EXPENDITURES

In Idaho Power's recent rate case, the Company sought a prudency determination on its expenditures for demand-side management programs funded by the Energy Efficiency Rider from 2002-2007. The Staff presented testimony recommending the Commission defer determination on the prudency of these expenses. On January 9, 2009, Idaho Power and Staff filed a joint Motion to defer Energy Efficiency Rider prudency determination and requested the Commission issue a final Order in the rate case without such a determination. The Commission granted the joint Motion.

On February 18, 2009, Idaho Power and Staff filed a joint Motion for approval of Energy Efficiency Rider prudency Stipulation, along with a Stipulation itself. The Stipulation states that the parties have agreed that \$14 million of nearly \$29 million in Rider funds expended during 2002-2007 were for expenses that were prudently incurred. In addition, the Stipulation states that an additional \$4 million Idaho Power paid to NEEA during the period were prudently incurred. Finally, the Stipulation states the Company and Staff will continue to discuss possible settlement regarding the remaining \$14.6 million of Energy Efficiency Rider funds. By April 1, 2009, Idaho Power will file a pleading in a new case seeking a prudency determination of the balance of the Rider funds spent during 2002-2007. The joint Motion requests and recommends the Commission approve the Stipulation regarding the prudency of a portion of the Energy Efficiency Rider funds used during 2002-2007.



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